

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARROWBONE CREEK)
WATER COMMISSION FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECES-) CASE NO. 9379
SITY TO EXTEND DISTRICT WATER LINES)

O R D E R

The Marrowbone Creek Water District ("Marrowbone Creek") filed an application on July 2, 1985, for authorization to construct a \$150,000 water improvements project and approval of its funding for this project. The funding consists of a \$150,000 grant to Pike County from the Kentucky Natural Resources and Environmental Protection Cabinet through the Kentucky Abandoned Mine Land Reclamation Program.

The proposed construction will provide service to 60 additional customers in the Poor Bottom Fork area of Pike County, Kentucky. Drawings and specifications for the proposed improvements as prepared by Kenvirons Incorporated of Frankfort, Kentucky, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet. Construction bids were received June 17, 1985.

FINDINGS AND ORDERS

The Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

2. The proposed construction consists of approximately 12,500 feet of 4- and 3-inch diameter pipelines, a pumping station, a 20,000-gallon water storage tank, and related appurtenances to serve 60 additional customers. The low bid totaled \$119,925, which will require about \$150,000 after allowances are made for fees, contingencies, other indirect costs, and additional construction being considered.

3. Any deviations from the construction herein approved which could adversely affect service to any customer should be subject to the approval of this Commission.

4. The financing secured by Marrowbone Creek for this project will be needed to pay for the work herein approved and recommended. Marrowbone Creek's financing plan should, therefore, be approved.

5. Marrowbone Creek should furnish duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of

the date that construction is substantially completed. Said construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by this Commission.

6. Marrowbone Creek's contract with its Engineer should require the provision of full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision and inspection should insure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Marrowbone Creek should require the Engineer to furnish a copy of the "as-built" drawings and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

IT IS THEREFORE ORDERED that Marrowbone Creek be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein.

IT IS FURTHER ORDERED that Marrowbone Creek's plan for financing its construction work in the amount of

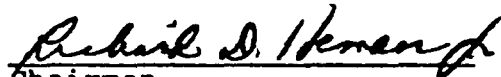
\$150,000 with a grant from Pike County be and it hereby is approved.


IT IS FURTHER ORDERED that Marrowbone Creek shall comply with all matters set out in Findings 5 through 7 as if the same were individually so ordered.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 26th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary